

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**July 12, 2004**

**IN RE:**

**PETITION OF CHATTANOOGA GAS COMPANY  
FOR APPROVAL OF ADJUSTMENT OF ITS RATES  
AND CHARGES AND REVISED TARIFF**

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**DOCKET NO.  
04-00034**

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**ORDER REQUIRING CHATTANOOGA GAS COMPANY TO IDENTIFY  
ALL RATES, CHARGES, SCHEDULES OR CLASSIFICATIONS IN ITS  
JULY 9, 2004 TARIFF ON FILE FOR SIX MONTHS AND SUSPENDING  
THE EFFECTIVENESS OF ALL OTHER RATES, CHARGES,  
SCHEDULES OR CLASSIFICATIONS IN THE JULY 9, 2004 TARIFF**

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This matter is before the Tennessee Regulatory Authority (the "Authority") to consider the *Petition of Chattanooga Gas Company for Approval of Adjustment of its Rates and Charges and Revised Tariff* (the "*Petition*") filed on January 26, 2004. At a regularly scheduled Authority Conference held on February 9, 2004, the voting panel assigned to this docket, Chairman Pat Miller, Director Deborah Taylor Tate and Director Sara Kyle voted unanimously to suspend the *Petition* and the rates filed therewith through May 29, 2004 and to appoint a Hearing Officer in this proceeding to hear preliminary matters prior to the Hearing. On February 27, 2004, Chattanooga Gas Company ("Chattanooga") filed revisions to its tariff which replaced rates that had been a part of the *Petition* filed on January 27, 2004. On May 28, 2004, the Hearing Officer entered an Order suspending the effective date of the tariff filed in this docket with the *Petition* through July 28, 2004.

On July 9, 2004, Chattanooga filed with the Authority a written request advising the Authority, pursuant to Tenn. Code Ann. § 65-5-203(b)(1), that Chattanooga intends to place a tariff into effect “for billing cycles after August 1, 2004,” and asking the Authority to waive the bond requirement in Tenn. Code Ann. § 65-5-203(b)(1), to allow Chattanooga to recover certain “costs associated with recalculating and implementing any refund ordered by the TRA” as part of its rate case and to have these requests heard by the Authority during the July 26, 2004 Authority Conference.

In its request filed on July 9, 2004, Chattanooga relies on Tenn. Code Ann. § 65-5-203(b)(1) as authority for placing rates in effect six months after filing those rates with the Authority. Tenn. Code Ann. § 65-5-203(b)(1) provides,

If the investigation has not been concluded and a final order made at the expiration of six (6) months from *the date of any such increase, change or alteration*, the utility may place the proposed increase, change or alteration, or any portion thereof, in effect at any time thereafter prior to the final authority decision thereon upon notifying the authority, in writing, of its intention so to do; provided, that the authority may require the utility to file with the authority a bond in an amount equal to the proposed annual increase conditioned upon making any refund ordered by the authority as hereinafter provided. (Emphasis provided.)

The Hearing Officer finds that, to the extent that any of the rates, charges, schedules or classifications in the tariff filed on July 9, 2004 have not been on file with the Authority a full six (6) months, as required by Tenn. Code Ann. § 65-5-203(b)(1), those such rates, charges, schedules or classifications cannot be put into effect “for billing cycles after August 1, 2004,” and may not be put into effect until a full six month period has expired. Chattanooga’s decision not to file all of its rate increases or modifications at one time on January 26, 2004 has resulted in a piecemeal rate case. Nevertheless, the Hearing Officer or the Authority should not be required to analyze the tariff filed by Chattanooga on July 9, 2004 to determine

which rates, charges, schedules or classifications have and have not been on file with the Authority for a period of six months as of July 26, 2004.

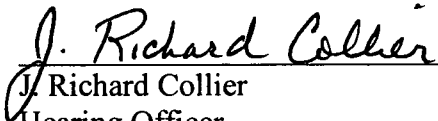
For these reasons, the Hearing Officer determines that Chattanooga should identify and segregate those rates, charges, schedules or classifications that would be eligible to go into effect on July 26, 2004 and those rates, charges, schedules or classifications that would not be eligible to go into effect on July 26, 2004 but at a later date. To the extent that any rates, charges, schedules or classifications contained in the tariff filed by Chattanooga on July 9, 2004 have not been on file with the Authority a full six (6) months on July 26, 2004, the Hearing Officer suspends the effectiveness of those rates, charges, schedules or classifications until August 27, 2004.

**IT IS THEREFORE ORDERED THAT:**

1. Chattanooga Gas Company shall file with the Authority no later than **2:00 p.m. on Monday, July 19, 2004**, a chart classifying those rates, charges, schedules or classifications in the July 9, 2004 tariff filing that will be on file with the Authority a full six (6) months as of July 26, 2004 and those rates, charges, schedules or classifications in the July 9, 2004 tariff filing that will not be on file with the Authority a full six (6) months as of July 26, 2004. If it is the position of Chattanooga Gas Company that all rates, charges, schedules or classifications in the July 9, 2004 tariff filing will be on file with the Authority a full six (6) months as of July 26, 2004, Chattanooga shall file with the Authority a verified statement to that effect no later than **2:00 p.m. on Monday, July 19, 2004**. Copies of Chattanooga's filing shall be served on the parties on the date of filing.

2. To the extent that any rates, charges, schedules or classifications contained in the tariff filed by Chattanooga Gas Company on July 9, 2004 have not been on file with the

Authority a full six (6) months on July 26, 2004, the effectiveness of those rates, charges, schedules or classifications is hereby suspended until August 27, 2004 or six (6) months from the date of the filing of those rates, charges, schedules or classifications with the Authority, whichever is later.

  
J. Richard Collier  
Hearing Officer